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CMS administrator resigns

After more than two years as Administrator of the Centers for Medicare & Medicaid Services (CMS), on September 5, Mark B. McClellan, MD, PhD, announced his plans to vacate that post in early October. Before heading CMS, Dr. McClellan served as Commissioner of the U.S. Food and Drug Administration and, before that, as a member of the White House Council of Economic Advisers and as a senior health policy aide to the President.

At press time, possible successors, at least on an interim basis, included the following: Leslie V. Norwalk, Deputy Administrator of CMS; Herb Kuhn, Director of the agency's Center for Medicare Management; and Julie Goon, Special Assistant to President Bush and former Director of Medicare outreach at the U.S. Department of Health and Human Services (HHS). The CMS Administrator oversees Medicare, Medicaid, and the federally subsidized State Children's Health Insurance Program, which together serve approximately 90 million Americans and account for more than \$535 billion a year in federal spending. For more information about CMS, go to <http://www.cms.hhs.gov/>.

Executive order promotes transparency

On August 22, President Bush signed an executive order intended to increase the "transparency" of the nation's health care system. The order applies to all federal health care programs administered or sponsored by HHS as well as the Department of Defense, Department of Veterans Affairs, and Office of Personnel Management. The order calls on these entities to carry out the following efforts:

- Share with beneficiaries information about payments to health care providers
- Provide information to beneficiaries about the quality of services provided by physicians, hospitals, and other health care providers; the standards for measuring quality are to be developed in collaboration with multistakeholder groups and alliances
- Encourage adoption of health information technology (IT) standards to facilitate the rapid exchange of health information
- Support facilities and providers identified as providing high-quality and efficient care

The Administration anticipates that this information will enable consumers to make informed choices when selecting physicians and hospitals and that they will seek care from proven providers and avoid unnecessary costs. Private and non-federal health programs are being encouraged to collaborate with the federal government on these efforts. The executive order takes effect January 1, 2007. For more information, go to <http://www.hhs.gov/news/press/2006pres/20060822.html>.

CMS acts to implement order

To help ensure timely implementation of the executive order for increasing transparency in health care, HHS Secretary Mike Leavitt convened a summit of business and health care leaders on August 24 to discuss related issues. Among the concepts discussed at the meeting were plans to construct a network of pilot programs for increasing transparency through the use of health IT and price and quality measures.

ASC transparency information posted

In another effort to implement the order, HHS plans to charter six “collaboratives” across the country, which will be charged with finding the best ways to gather price and quality information and report it to consumers. Quality and price information collaboratives will continue to be established until that information is available throughout the nation. Efforts to establish those entities and carry out many other tasks essential to making the health care system more transparent will be coordinated by a steering committee that was set up before the summit took place.

In addition, HHS has launched a Web site on its transparency-related activities, which can be accessed at <http://www.hhs.gov/transparency/>.

In related news, CMS announced August 21 that Medicare payment information for 61 procedures performed in ambulatory surgery centers (ASCs) is available on its Web site. The announcement marks the second set of geographically based information about cost and/or quality that CMS has made available; data on Medicare payment for 41 procedures performed in inpatient hospital settings were posted in June. The ASC cost information covers charge and Medicare payment data for facility costs associated with a limited number of services, broken down at the county, state, and national levels. The Administration plans to post additional information on quality and cost pertaining to hospital outpatient and physician services this fall. The new ASC information is accessible at http://www.cms.hhs.gov/HealthCareConInit/03_ASC.asp#TopOfPage.

Specialty hospital report issued

On August 8, CMS released a report and regulatory plan regarding physician ownership of specialty hospitals, as required in the Deficit Reduction Act enacted earlier this year. CMS found that by “focusing on certain types of cases, specialty hospitals have the potential to increase the quality of care and to provide care (including surgical procedures) in a more efficient manner.”

Release of the report effectively ended the moratorium that CMS had imposed on extending Medicare coverage to new specialty hospitals. However, the plan includes new enforcement measures requiring the facilities to disclose to CMS their financial arrangements with physician investors and to inform patients, before providing care, that staff physicians have ownership interests in the hospital. In addition, current anti-kickback laws prohibit specialty hospitals from providing a physician investor with a return that is disproportionately larger than his or her investment.

With respect to emergency care, CMS clarified that the Emergency Medical Treatment and Active Labor Act requires specialty facilities, regardless of whether they have an emergency room, to accept patient transfers if they have the capacity to appropriately care for the patient. For a copy of the report, go to <http://www.cms.hhs.gov/apps/media/press/release.asp?Counter=1941>.